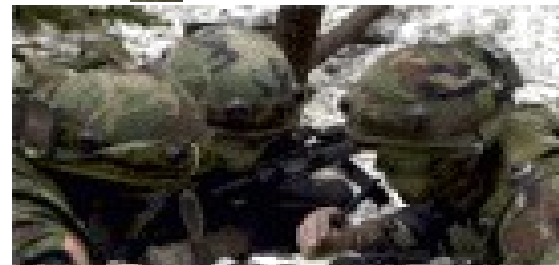




Assistant Secretary of the Army Financial Management and Comptroller

Joint Reconciliation Program Video Tele-conference



Phase I Triannual Review Ending Jan 31,
2007

March 15, 2007

1600-1700



Agenda



- **Roll Call**
Mr. Argodale
- **Opening Remarks** **Mr. Argodale**
- **Summary Program Update**
- **Special Interest Items:**
 - Prompt Pay Interest **DFAS**
 - WAWF
 - ADA **Ms. Landrum**
 - Interagency Agreements **Ms. Landrum**
 - FY 05 ULO Scrub
 - Accounting Adjustments
 - Managerial Accounting Task Matrix
- **Closing Remarks:** **Mr. Argodale**



Opening Remarks

**Mr. John J. Argodale
Deputy Assistant Secretary of the
Army
(Financial Operations)**



Program Update



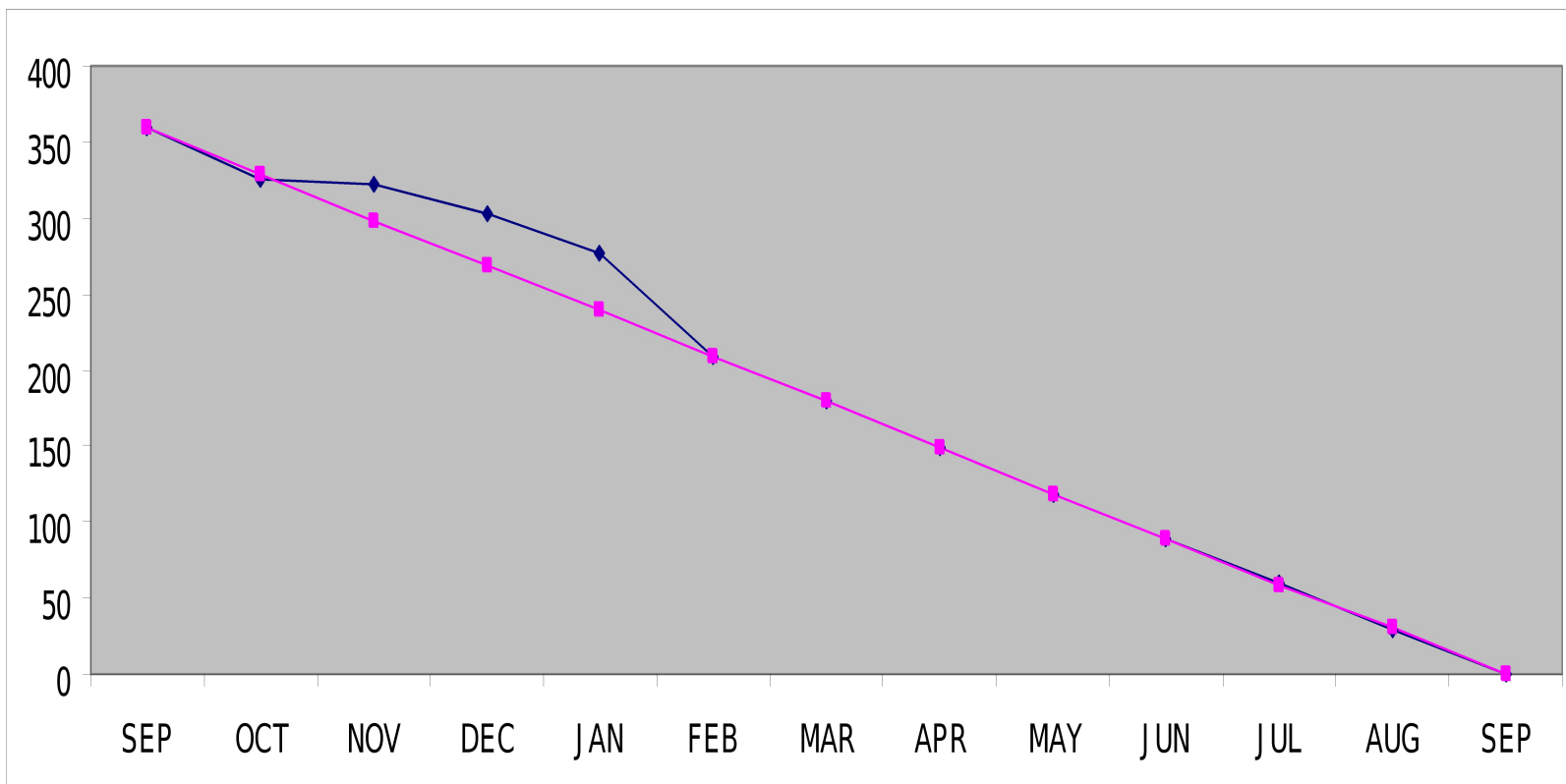
FY 06 Canceling Appropriations

Actual vs. Straight Line Liquidation

By Sep 30, 2007:

- Reduce unliquidated obligations to zero

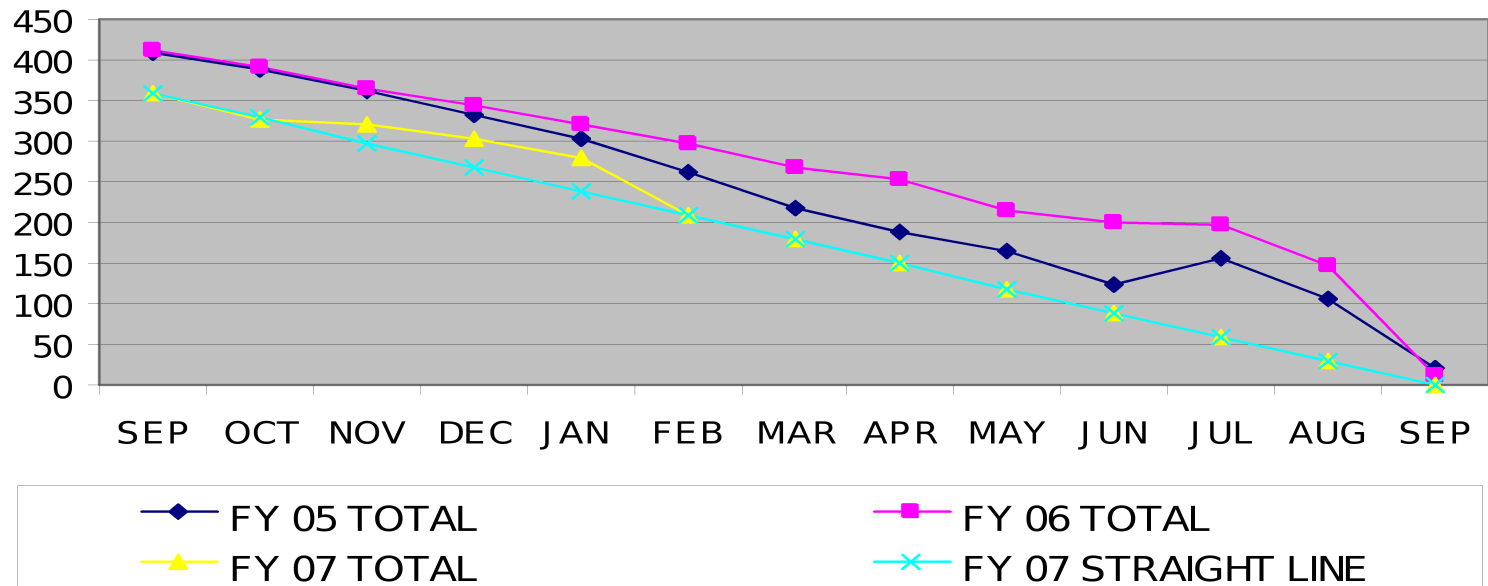
1 Oct 06 = \$359.48 M
31 Jan 07 = \$ 277.63 M



DATA SOURCE: DFAS REPORT



Canceling Appropriations *FY05 - FY07*



	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
FY 05 TOTAL	409	387	363	332	303	261	217	187	165	125	156	106	21
FY 06 TOTAL	411	391	366	344	319	297	268	254	216	199	196	148	13
FY 07 TOTAL	359	326	322	302	278	0	0	0	0	0	0	0	0
FY 07 STRAIGHT LINE	360	328	298	269	239	209	179	149	119	89	59	30	0

DATA SOURCE: DFAS

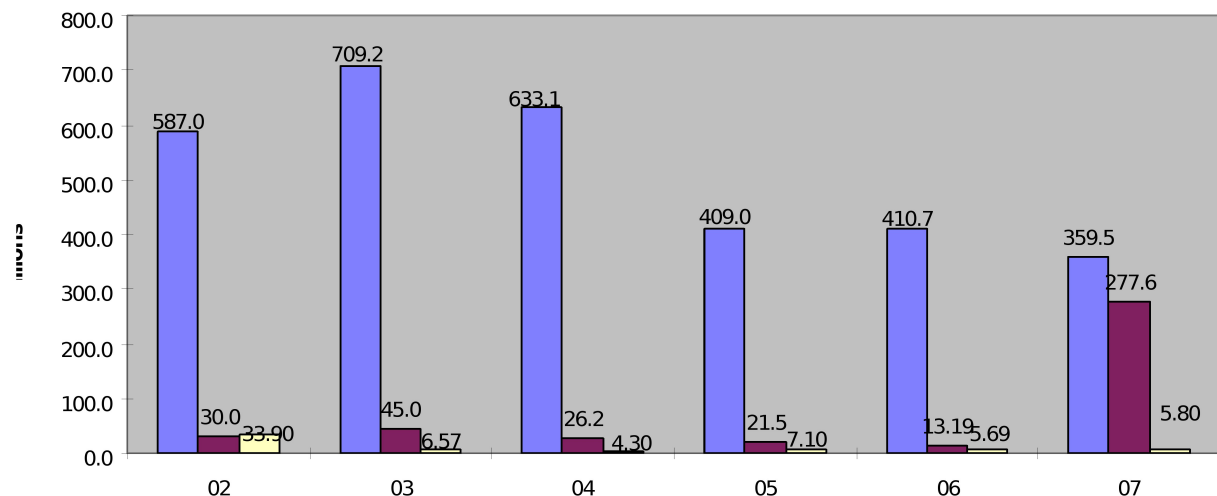


Army Payoff -Cancelina Appropriation

Total Potential Liability FY01-FY06 \$
150.0
Total Paid FY01 - FY07 \$
81.3

Funded as of Feb 28, 2007
AFH \$ -0-
MCA
6,719.00
PROC
3,536,254.00
RDTE
616,563.00

**Million
\$**



■ Canceling Balances ■ Potential Liability ■ Canceled Liability Funded

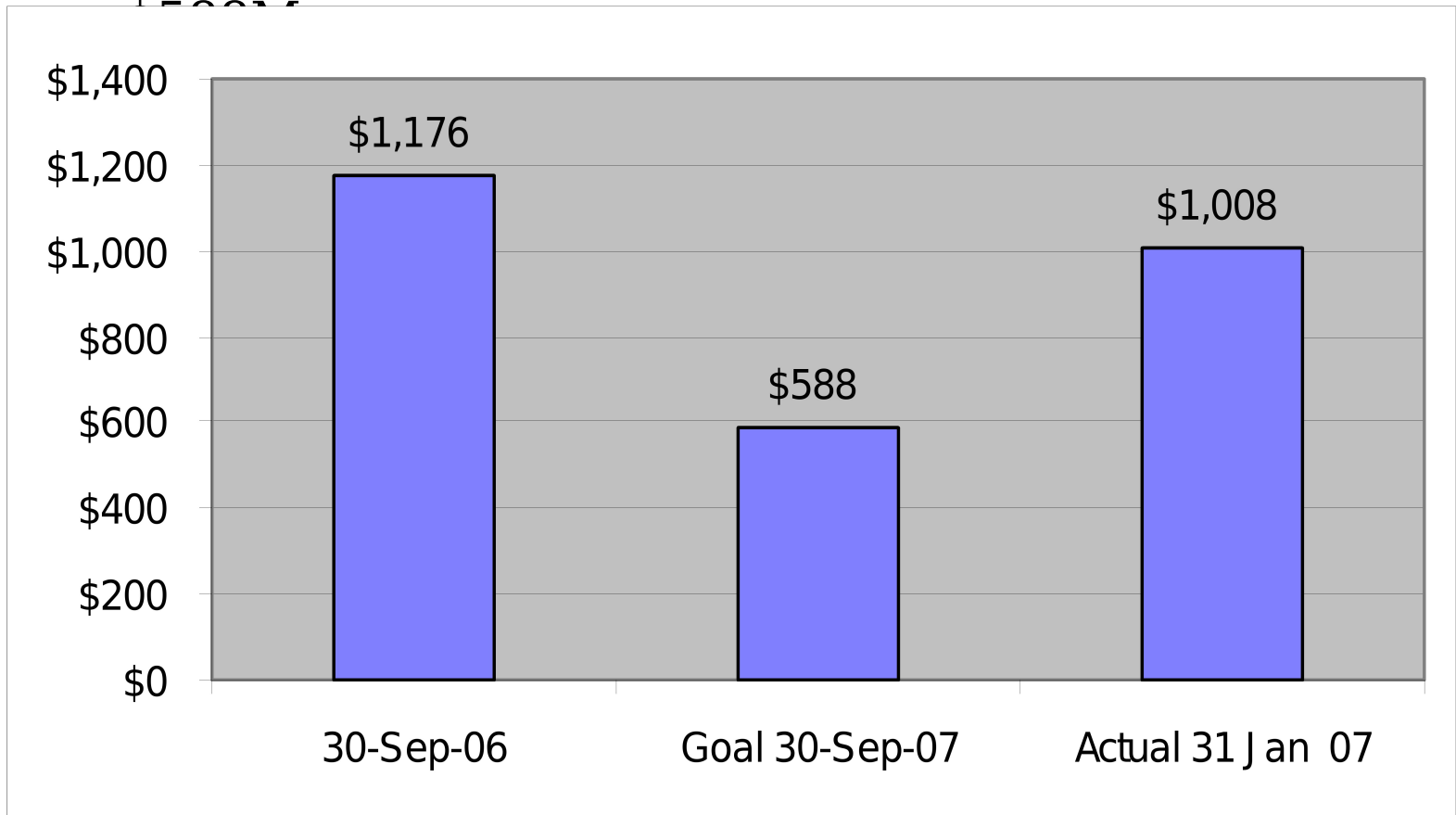
DATA SOURCE: DFAS, ARMY BUDGET



Fourth Expired Year ***(millions)***

By 30 Sep 2007

- Reduce 4th expired year by 50%



DATA SOURCE: DFAS

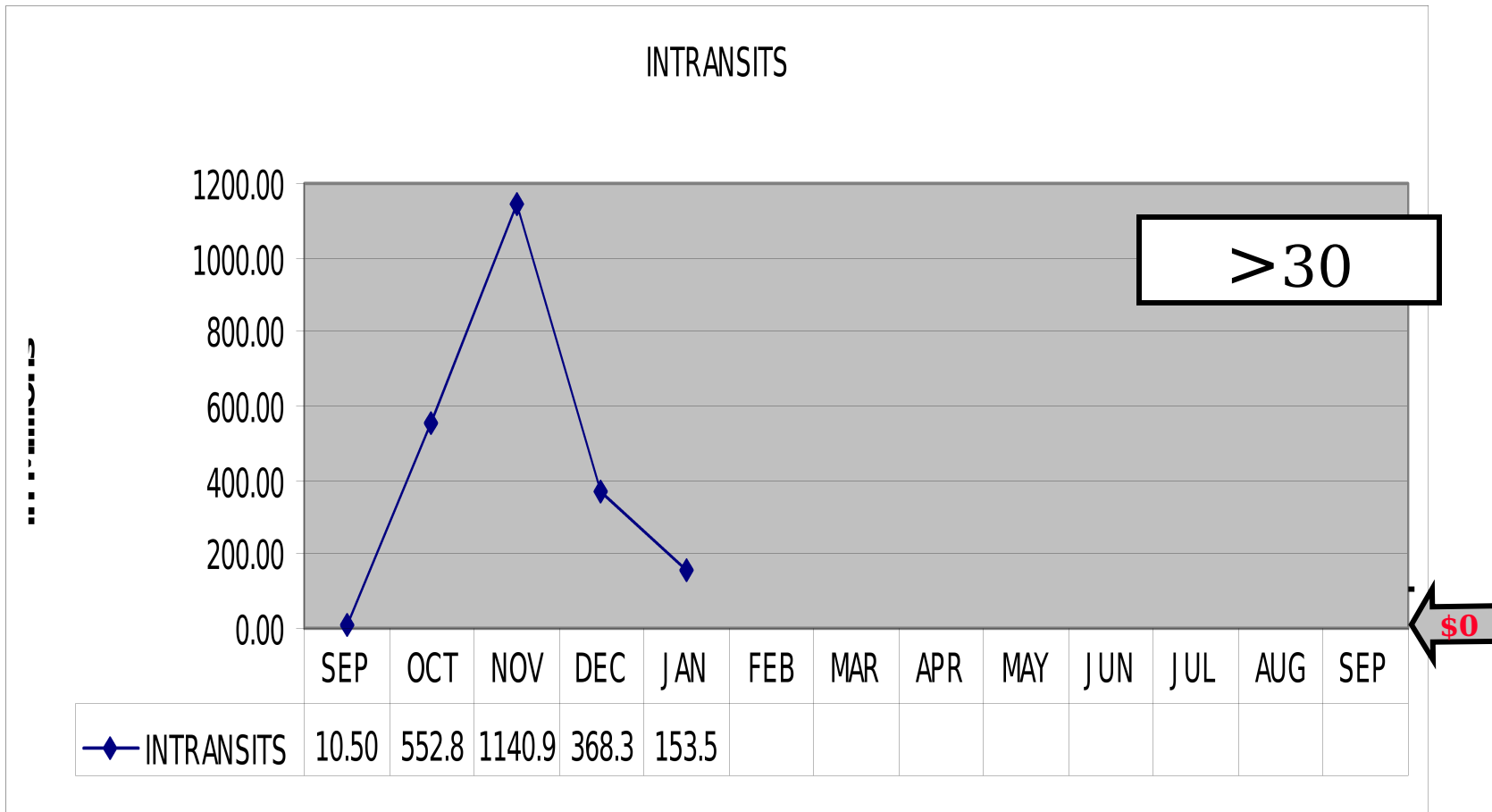


INTRANSITS

Disbursements

By 30 Sep 2007:

- Baseline of 30 Sep 2006
- Reduce to zero (>30 days)



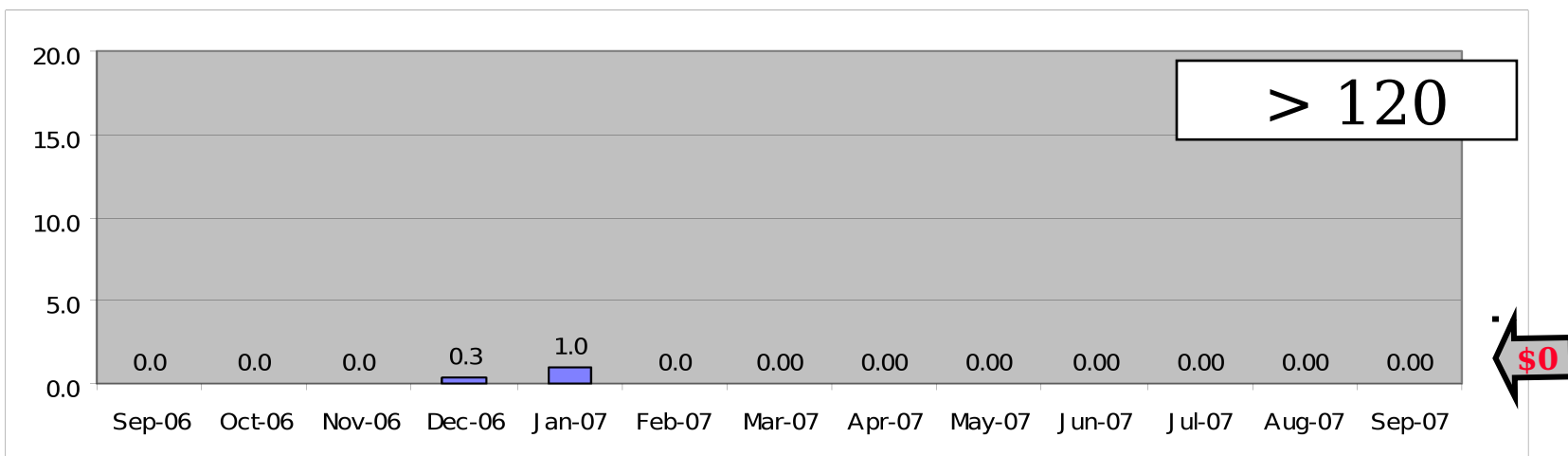
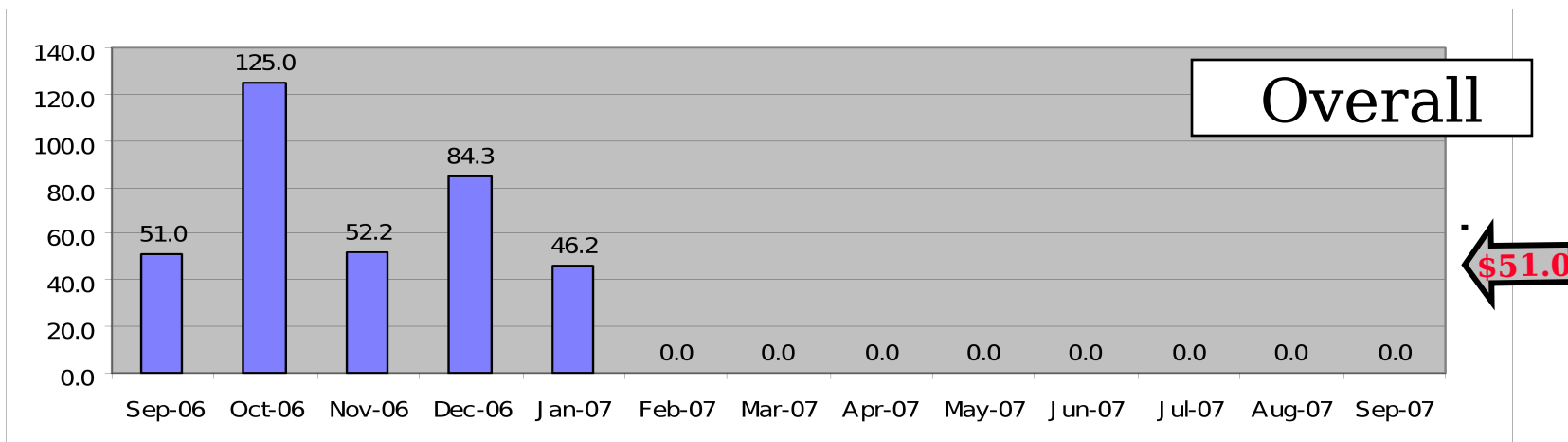
DATA SOURCE: DFAS



Unmatched Disbursements

By 30 Sep 2007:

- Reduce Total UMD to be equal to or less than Sep 30, 2006 balance
- Reduce to zero (>120 days)



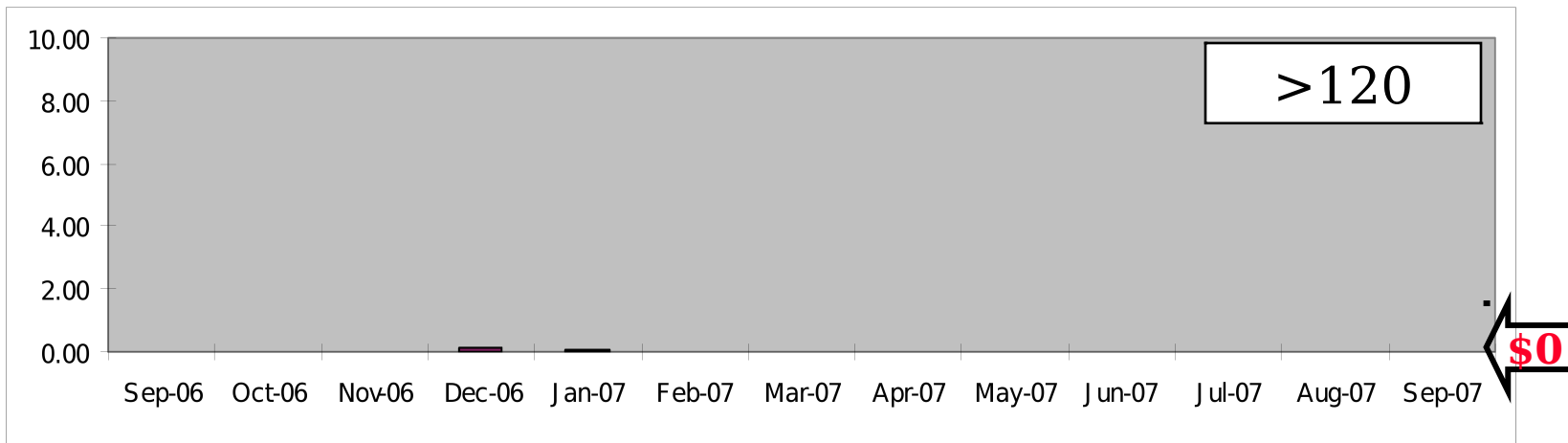
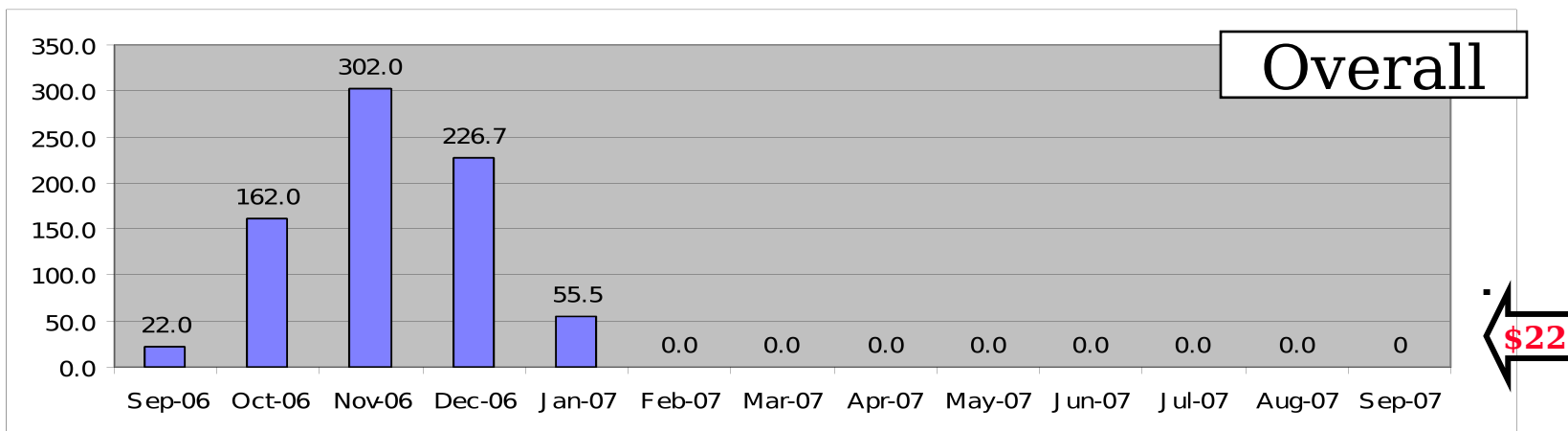
DATA SOURCE: DFAS



Negative Unliquidated Obligations

By 30 Sep 2007:

- Reduce total NULO to be equal to or less than Sep 30, 2006 Balance
- Reduce to zero (>120 days)



DATA SOURCE: DFAS



Travel Advances Expired Years

By 30 Sep 2007:

- Reduce travel advance in expired years to zero

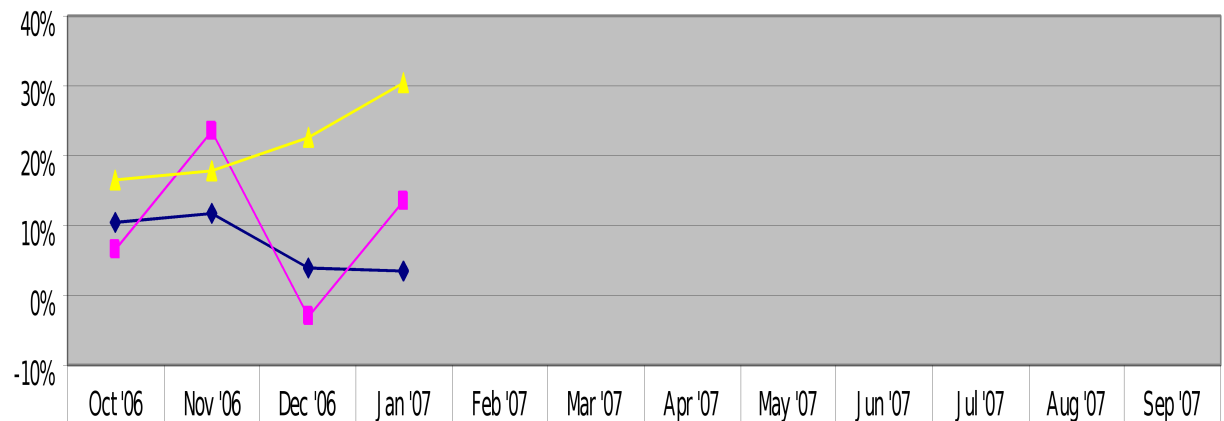
	<u>1 Oct 06</u>	<u>31 Jan 07</u>
<u>%Decrease</u>		
Expired Travel Adv	\$ 49.9M	\$ 28.7
42%		
Expired Adv less OA-01	\$ 10.2M	\$ 2.3
77%		
Expired Adv OA-01	\$ 39.8M	\$ 26.4
33%		



Accounts Receivable

By 30 Sep 2007:

- Reduce Intra-Governmental Receivables > 30 days to 10 percent or less of Total Intra-Governmental Receivables
- Reduce Intra-Governmental Receivables Outside DOD > 30 days to 8 percent or less of Total Intra-Governmental Receivables Outside DOD
- Reduce Public Receivable > 180 days to 10 percent or less of Total Public Receivables



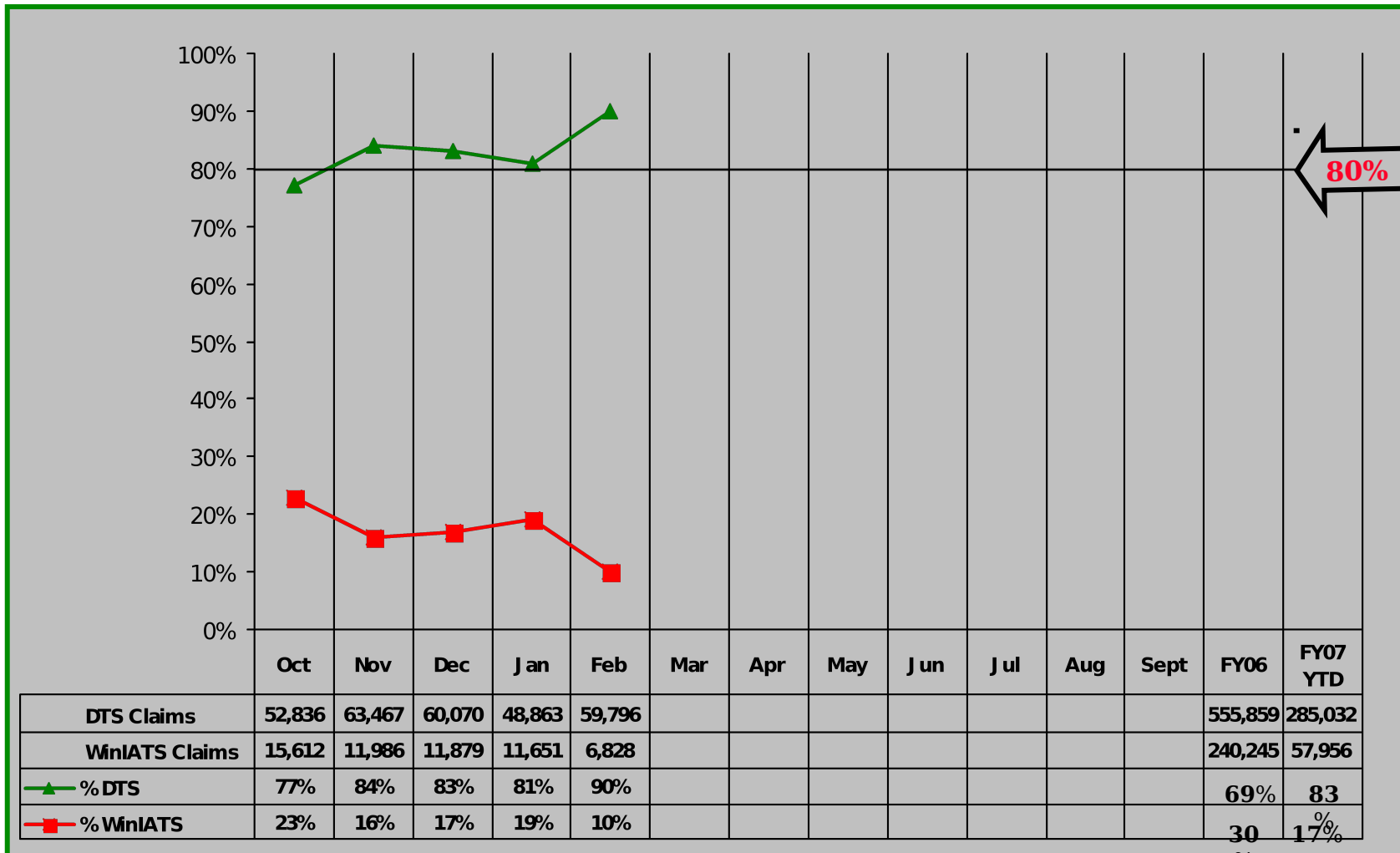
◆ Intra-Gov Receivables > 30 days	Oct '06	Nov '06	Dec '06	Jan '07	Feb '07	Mar '07	Apr '07	May '07	Jun '07	Jul '07	Aug '07	Sep '07
◆ Intra-Gov Receivables > 30 days	11%	12%	4%	3%								
■ Intra-Gov Receivables > 30 days Outside DOD	6%	24%	-3%	13%								
▲ Public Receivables > 180 days	17%	18%	23%	31%								



Voucher Percentage Summary FY 07

Only Proliferated Sites

By Sep 30, 2007: Increase DTS Usage to 80%



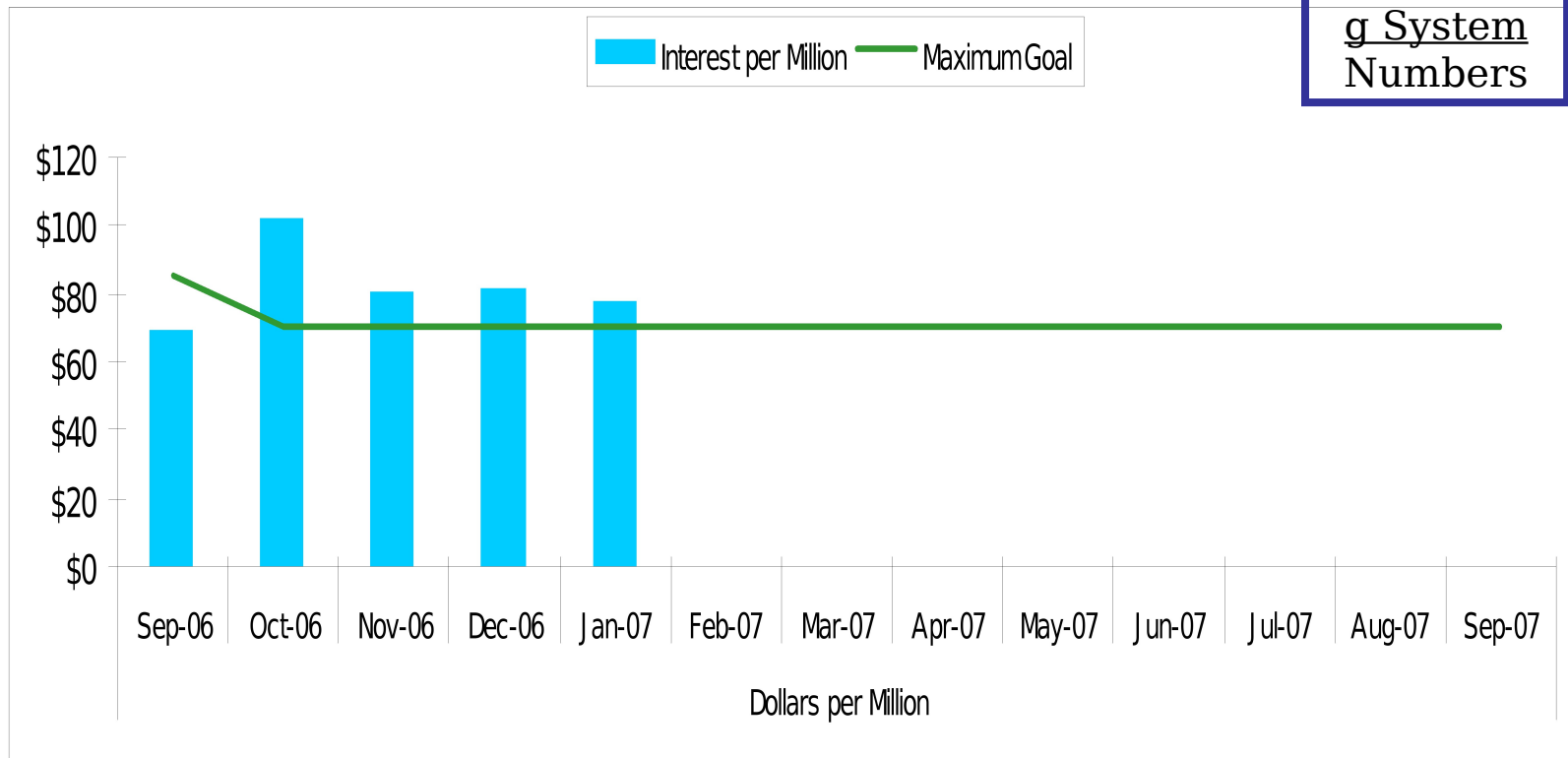


Special Interest Items



Prompt Pay Interest Reduction - FYTD

This Chart
Shows
Accountin
g System
Numbers

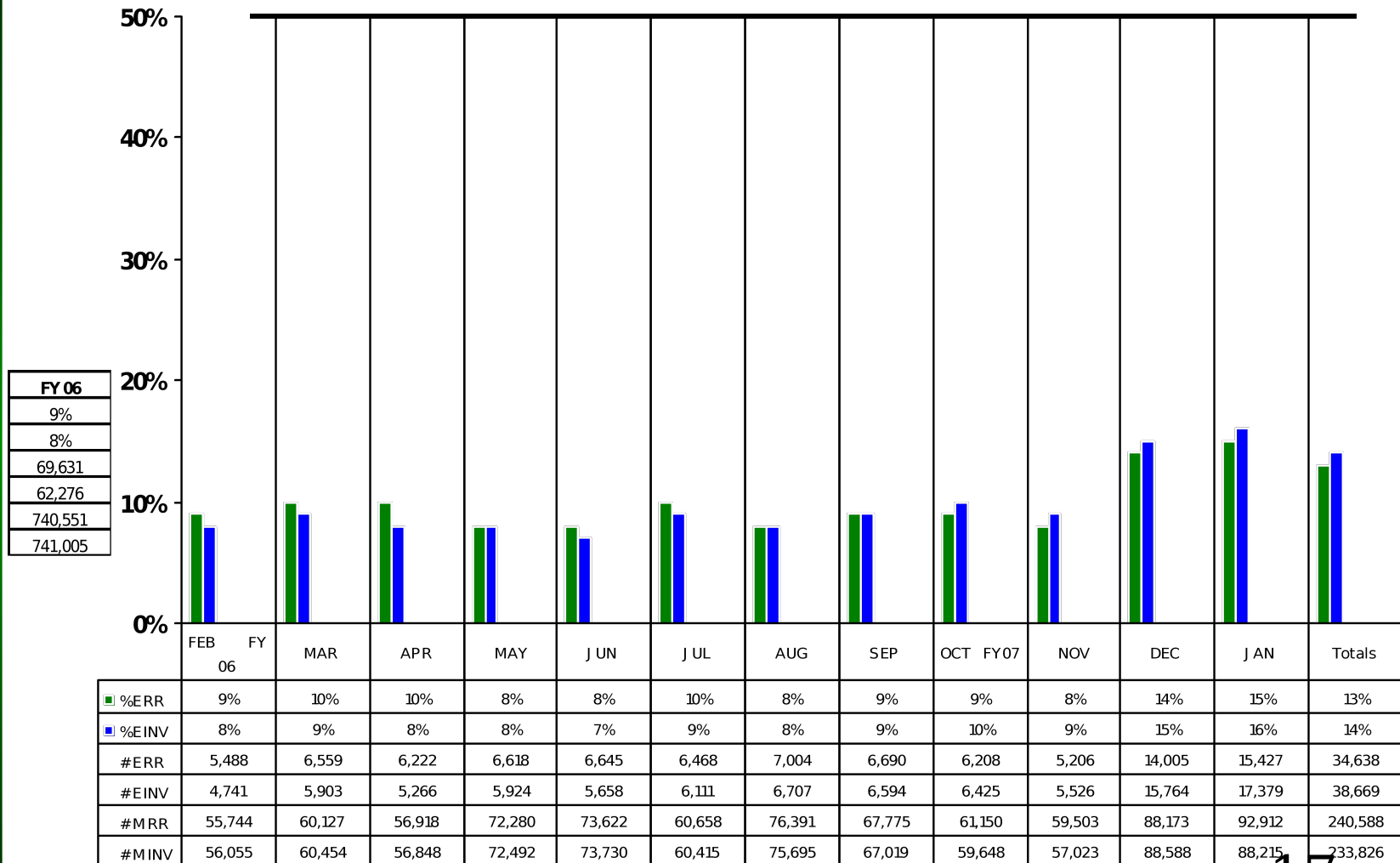


Army	Sep FY 06 68.99	FY 07 Goal 70.00	FY 07 YTD 81.78
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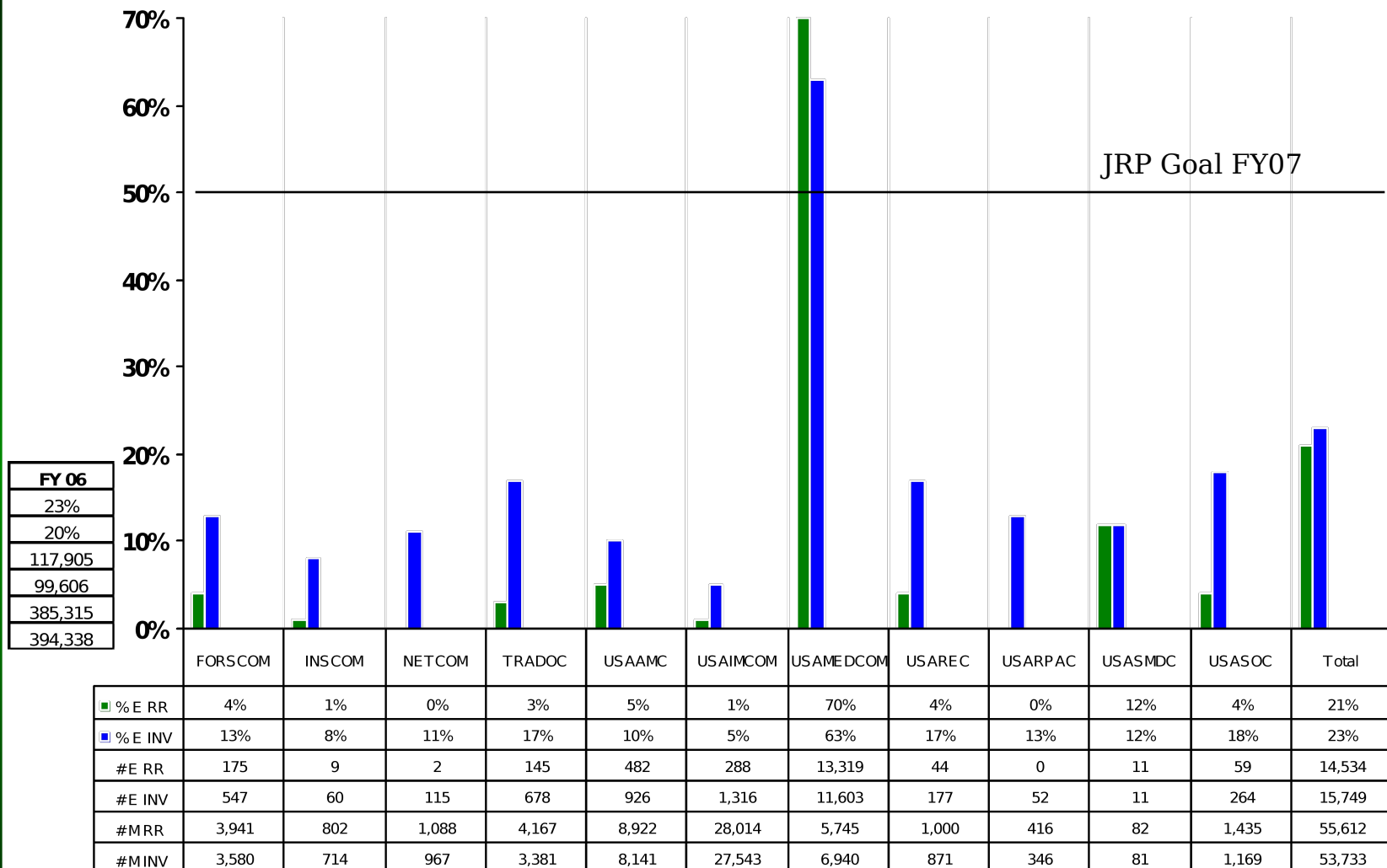
WAWF Usage Monthly Breakout Total ARMY

JRP Goal FY07





WAWF Usage - HQDA Identified by MACOMS Feb 06 – Jan 07

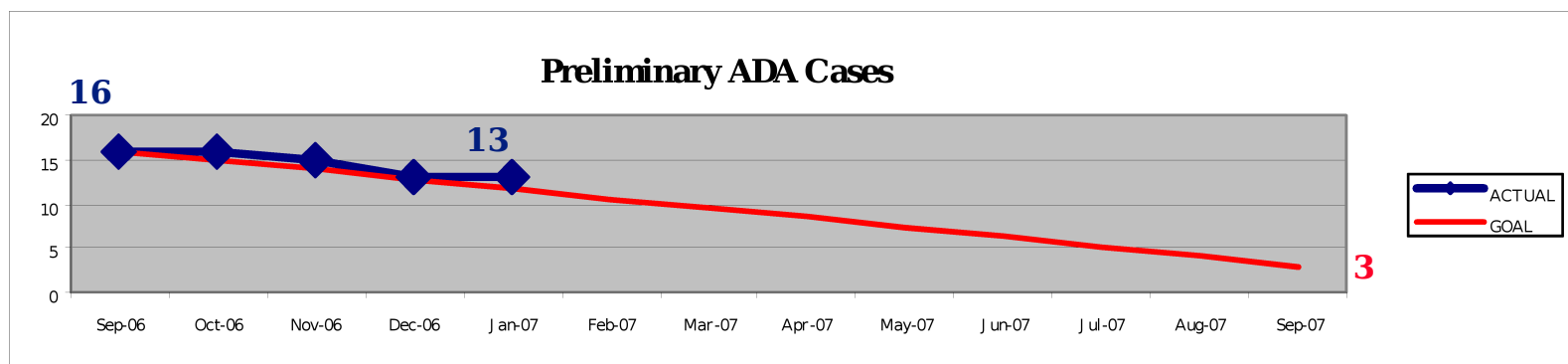
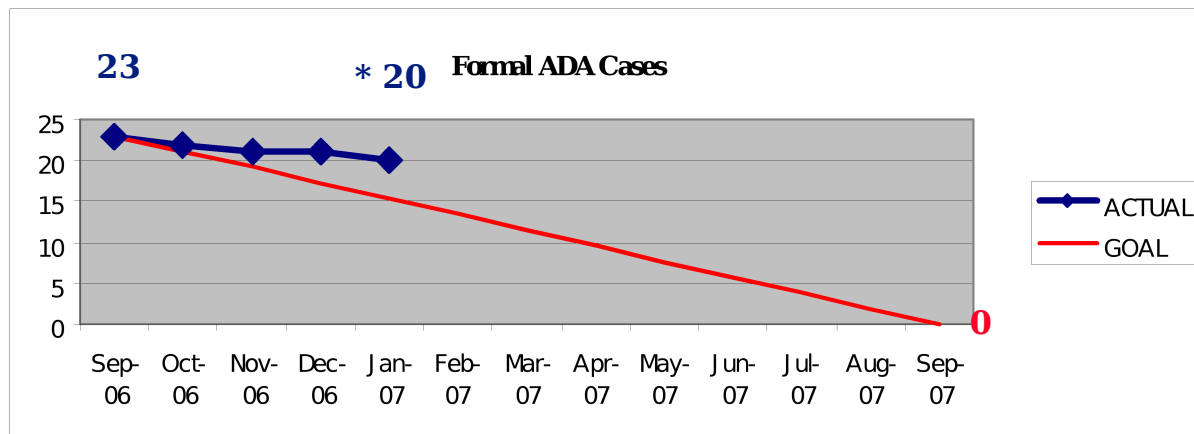




Antideficiency Act Violations

Goal:

- 100% Reduction of Total Formal ADA Violation Cases as of 30 September 2006
- 80% Reduction of Total Potential ADA Violation Cases as of 30 September 2006





Antideficiency Act Violations

FORMAL ADA CASES				
MACOM	Beginning	Goal	Actual	OSD
AMC	4	0	4	1
FORSCOM	1	0	1	1
IMCOM	3	0	2	
MEDCOM	1	0	1	
NGB	4	0	4	2
TRADOC	1	0	1	1
USACE	4	0	3	
USAR	4	0	3	2
USARPAC	1	0	1	
Total FORMAL ADA Cases	23	0	20	7

PRELIMINARY ADA CASES			
MACOM	Beginning	Goal	Actual
ACA	1	0	0
AMC	2	0	1
IMCOM	3	1	3
NGB	1	0	1
OA-22	2	0	2
SOUTHCOM	1	0	1
TRADOC	2	0	2
USACE	4	2	3
Total PRELIMINARY ADA Cases	16	3	13

As of 31 Jan



Interagency Agreements

Problems Identified:

- Requirements not properly approved, identified, or documented prior to issuing orders
- Fund managers do not thoroughly review unliquidated obligations.
- Improper recording of advance payments.
- Wrong types of funding used.
- DoD funds transferred to Non-DoD federal agencies are used beyond expiration or period of



Interagency Agreements

- Acquisitions lacked:
 - ✓ Best Interest Determination
 - ✓ Planning
 - ✓ Competition
 - ✓ Quality assurance controls, and
 - ✓ Audit trails
 - ✓ Service/Agency contracting officer's approval
- DoD IG identified 23 potential Army Antideficiency Act violations with the



Interagency Agreements

Corrective Actions Required:

- Performing activities must obligate funds prior to expiration.
 - ✓ Provide documentation to requiring activity.
 - ✓ Execute within parameters of agreement.
 - ✓ Return expired or excess funds.



Interagency Agreements

Corrective Actions Required:

- Stop advance payments – No longer authorized.
- Conduct thorough reviews of all Interagency Agreements.
- ASA (FM&C) will develop comprehensive requirements for Interagency Agreements.



FY 05 ULO SCRUB

- On February 20, 2007, a ULO total of \$642 M was identified for Army in FY 05 for MIPRs.
- ABO tasked commands to take aggressive action to review and scrub all balances by March 15, 2007
- As of March 12, 2007 ULO balances total \$579M
- Transaction open for 17-29 months with minimal activity
- Validate continuing need for goods/services ordered
- Deobligate and return excess funds



FY 05 ULO SCRUB

• CMD - 20 Feb 07 15 Mar 07

• FORSCOM 288M
277M

• OA 22 89M
76M

• IMCOM 67M
64M

• TRADOC 46M
37M

• USAREUR 27M
25M

• INSCOM 24M



ACCOUNTING ADJUSTMENTS

- Recent ADA investigations and other sources reveal accounting adjustments are processed without proper documentation and approval.
- Adjustments must be properly documented and approved in accordance with regulatory guidelines.
- Below are preliminary numbers for documented SF1081's processed through DSSN 5570 October 2006 - January 2007

Qtr	Absolute Value	Number of Transactions
1st	2,908,327,982.61	48,808
2nd	2,241,679,727.98	4,009
3rd	0.00	0
Total	5,150,007,710.59	52,817
Avg Per Month	\$572,223,078.95	5,869



ACCOUNTING ADJUSTMENTS

- To strengthen controls, ASA(FM&C) and DFAS conduct thorough review of accounting adjustment policy:
 - Regulatory Requirements
 - Approval Thresholds
 - Proper Documentation
- Policy memo awaiting ASA(FM&C) signature.
- Future Plan:
 - Command oversight of accounting adjustment policy
 - Periodic Internal Review/AAA reviews



MANAGERIAL ACCOUNTING (MA) TASK MATIX

- On October 19, 2006, we requested the MACOM RMs to review the current version of the MA Task matrix and give an assessment of how we can improve the Army's MA Support.
- Results of the review:
 - ✓ Add new task to account for new systems (i.e. RMT, FCM, GFEBBS, WAWF) or programs (i.e. travel charge card)
 - ✓ Concerns were raised on increased workload due to IMA support and other tenants



MANAGERIAL ACCOUNTING (MA) TASK MATIX (cont.)

- ✓ Recommend more emphasis be placed on ADAs and PPA interest
- ✓ Recommendation for face-to-face session to discuss issue. Planning for Mid-May 2007



Closing Remarks



Joint Reconciliation Program

➤ **Website:**

<http://www.asafm.army.mil/fo/fod/jrp/jrp.asp>

➤ **Centralized mailbox:**

JointReconProgram@hqda.army.mil

➤ **Next VTC: Scheduled for July 12, 2007**

***FY 07 Phase II Reporting, 15
1600***

